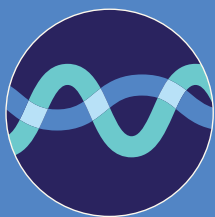


# Two Rivers Housing

## Value for Money Position Statement

For the year ending 31 March 2025



**Two  
Rivers  
Housing**

Registered Society Number: RS009498  
Regulator Registration Number L4385  
FCA Registration Number 9498

Value for Money (VFM) is achieved when limited financial resources are spent and invested in ways that produce the greatest long-term beneficial effects.

Delivering value for our customers is embedded throughout our organisation and is a key consideration across all our services, projects and decision making. When looking at how we provide Value for Money, we go beyond monetary savings, combining this with the additional social value that a community-based housing provider like ours can deliver in its communities.

The current inflationary market continues to stretch the financial resources of our customers and our organisation and there are limited opportunities to increase income. As a result, we have concentrated on protecting our current income streams and maximising Value for Money where we incur costs.

Value for Money is a key consideration when we set our plans and strategies and is captured, reviewed and discussed throughout the year. We have focused on getting our basics right and ensuring our homes are safe and well maintained, seeking an appropriate balance between cost, service delivery and customer satisfaction.

Our VFM Strategy provides the framework that ensures that, in meeting the corporate objectives, VFM is delivered strategically across the organisation.

The strategy identifies five key principles to support and embed VFM thinking and action, as well as ensuring that the use of the Group's resources fully support TRH's vision.

1. Doing the right things
2. Doing things economically
3. Maximising the return from our people
4. Maximising the return from our assets
5. Achieving outcomes that are driven by our values and are sustainable

The key objectives of the strategy are to:

- ▶ Generate optimal outcomes for the Group, tenants, customers, and communities.
- ▶ Create efficiencies in the way the Group operates.
- ▶ Utilise profits from commercial activities to provide greater services for tenants.
- ▶ Understand the return on assets and use this to assist in the prioritisation of activities against strategic objectives making new development decisions based on social and financial return to the Group, its customers, and communities.
- ▶ Create and embed a VFM culture across the organisation.
- ▶ Use growth in the business to provide local employment opportunities.
- ▶ Provide social and economic benefits to individuals and communities in our core geographical areas.
- ▶ Create environmental efficiencies.
- ▶ Generate savings to reinvest so that our homes are safe and well maintained

# Measuring Value for Money

Delivering value for our customers is embedded throughout our organisation and is a key consideration across all our services, projects and decision making. When looking at how we provide Value for Money, we go beyond monetary savings, combining this with the additional social value that a community-based housing provider like ours can deliver.

The cost of living crisis and inflationary market has stretched the financial resources of our customers and there are limited opportunities to increase our income. As a result, we have concentrated on protecting our current income streams and maximising Value for Money where we incur costs. Value for Money is a key consideration when we set our plans and strategies and is captured, reviewed and discussed throughout the year.

Our corporate strategy objectives flow from our vision to ensure that everyone has a warm, safe, affordable home. In October 2024, we launched our new corporate strategy, which sets out our six key priorities. These are:



A great customer experience



Modern, warm, safe,  
sustainable homes



A great place to work



Neighbourhoods where people  
love to live



Working #Twogether for our  
communities



A strong, well-run business

The work we undertake in each of these areas will help move our organisation forward and ensure we continue to deliver on our vision to ensure that people living in our neighbourhoods have a warm, safe, affordable home. We set measurable objectives under each of these areas, which are reviewed annually by the Group Board. Our progress against these objectives is regularly reported to the Group Board and executive team and continually assessed against Value for Money measures.

Alongside this, we benchmark our objectives against our past performance and, wherever possible the performance of similar housing providers. This allows us to understand our performance, tackle areas of underperformance and drive further Value for Money gains across the organisation.

# Measuring Value for Money

In addition to the objectives set out in our corporate strategy, the Group Board sets specific Value for Money targets. These include the seven metrics included in the Value for Money Standard published by the Regulator of Social Housing on 1 April 2018.

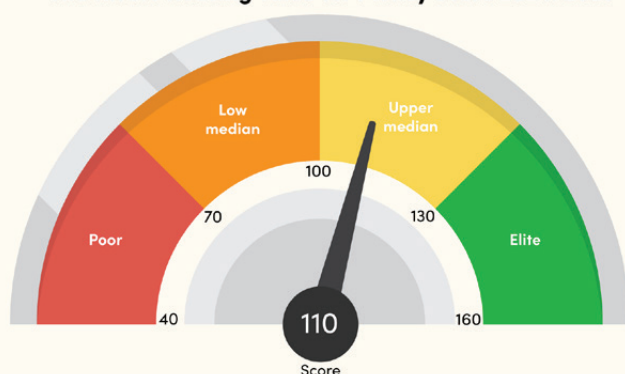
Our approach to Value for Money involves making the best use of our resources to deliver the best results for our customers in the most efficient way possible.

Demonstrating how we achieve this is complex, so to help us measure our performance in this area we benchmark our performance against a peer group. We work with specialist consultants i4H to provide an independent, external assessment of our performance against the Value for Money metrics in comparison to our peer group.

We also benchmark against the PlaceShapers membership, which are closely aligned to our values and how we operate. Combined, this provides a strong indication of how we are delivering against the Value for Money metrics.

The benchmarking results conclude that, overall, we are delivering median quartile performance against our i4H peer group.

**Two Rivers Housing Value for Money Score 2024/2025**



**Performance Improvement Radar**



VfM Measure	Results 2024/2025	Median 2024/2025	Score 2024/2025
Total cost per unit	£5,046	£5,046	20
Total operational performance score	280	250	30
Total customer satisfaction score	130	125	30
Total financial score	230	200	30
<b>Total VfM score</b>	<b>110</b>	<b>100</b>	<b>110</b>

We continued to deliver strong financial performance for the year ending 31 March 2025.

Costs are targeted based on the priorities set out in our corporate strategy. The high-cost area of major and cyclical works represents a deliberate investment in our homes and meets a key strategic objective. This significant increase in major works is consistent with the highest reinvestment level in the peer group.

# Measuring Value for Money

Overall financial performance is in the mid-to-upper quartile, with reinvestment and new supply remaining in the upper quartile and rising repair costs continuing to impact on operating margins.

## Regulatory Value for Money (VfM) Sector metrics

The Regulator for Social Housing (RSH) has outlined what it expects registered providers to deliver in relation to Value for Money (VfM) in its 2018 Value for Money Standard. The VfM Standard requires us to understand our costs, the outcomes of delivering specific services, and the underlying factors which impact these costs.

The Regulator's seven VfM metrics enable us to compare our performance against the whole global accounts sample and PlaceShapers members. Performance is assessed relative to the forecast target, with reference to the prior year's sector performance. Our performance against these metrics is set out in the table below.

	Two Rivers Housing			Whole Sector (Median) ***2024	PlaceShapers (Median) ****2024
	Actual 2025	*Target 2025	**Actual 2024		
Reinvestment	11.2%	14.6%	16.2%	7.7%	8.5%
New supply delivered % (Social housing)	2.52%	2.0%	3.9%	1.4%	1.4%
New supply delivered % (Non-social housing)	-	-	-	-	-
Gearing	57.5%	63.8%	57.3%	45.6%	46.1%
EBITDA MRI / Interest cover %	146.4%	139.3%	171.8%	121.7%	114.8%
Headline social housing cost per unit	£5,027	£4,779	£4,416	£5,136	£4,940
Operating margin % - social housing	15.4%	15.0%	20.2%	20.4%	20.5%
Operating margin % - overall	16.0%	17.7%	23.1%	18.5%	19.5%
Return on Capital Employed	2.8%	2.6%	3.5%	2.8%	2.9%

RAG Rating: Actual 2024/2025 vs \*Target; \*\*Actual 2023/2024, \*\*\*Sector Median 2023/2024, \*\*\*\* PlaceShapers 2023/2024



# Regulatory Value for Money (VfM) Sector metrics

Further performance benchmarking against the i4H Benchmarking peer group is set out below.

FY24 - Financial indicators	FY24	FY25	Median
Reinvestment %	16.20%	11.20%	5.25%
New supply delivered (social housing) %	3.90%	2.52%	1.17%
Gearing Ratio %	57.30%	57.50%	55.77%
EBITDA MRI Interest Cover %	171.80%	146.40%	131.66%
Headline social housing cost per unit £	£4,447	£5,027	£5,588
Operating margin % (Overall)	23.10%	15.41%	15.95%
Operating margin % (SHL)	19.81%	15.97%	17.66%
Return on capital employed * (ROCE)	3.50%	2.81%	2.80%
<b>Total score</b>	<b>270</b>	<b>240</b>	<b>200</b>

In comparison to the i4H peer group, we continue to be a mid to upper quartile performer. Our performance reflects our strategic objective to invest in our homes and develop new affordable homes in our communities, with the high gearing ratio offset against the high reinvestment and new supply levels.

The information below, provides commentary on our 2024/2025 performance for each of the Regulator's VfM sector metrics. It also provides a brief description of the metric, and forecasts for future performance against these based on our business plan projections.

Financial performance is firmly placed in the mid-to-upper quartile with the reduction in the score being due to reductions in EBITDA, operating margins and an increased headline social housing cost per unit.

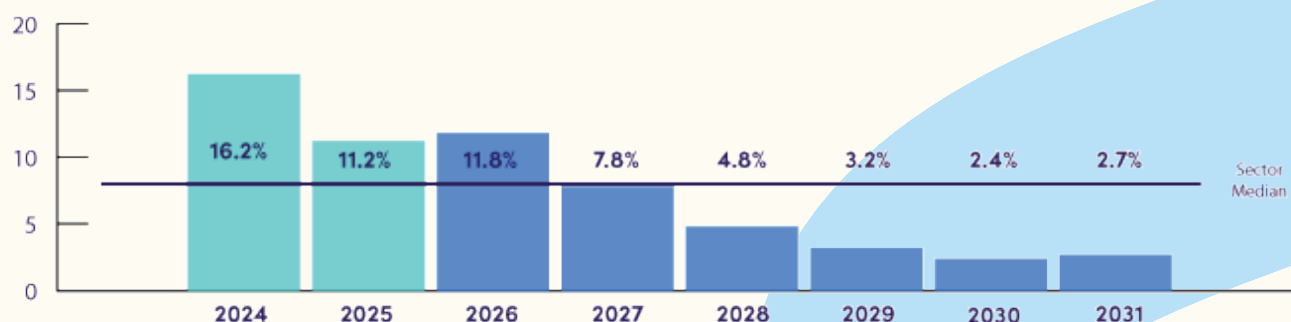
Despite this, reinvestment levels and new supply delivery performance have remained in the upper quartile and are among the strongest results across the peer group. Continued investment helps to explain the rise in cost per unit, particularly in areas such as major and cyclical works. This was largely driven by targeted investment in issues such as damp and mould remediation, along with component replacements. Inflation and elevated material costs have continued to impact the sector throughout 2024/2025.

Operating margins (both overall and social housing lettings) have reduced again, this is linked to rising repair costs. Having said that, our financial performance remains consistently strong.

The gearing ratio sits in the mid-to-lower range, which is expected given the scale of ongoing development activity. This aligns with a core strategic and national objective of increasing the availability of affordable homes.

Among social housing providers with more than 1,000 units, our performance continues to rank in the mid-to-upper quartile a notable achievement considering the organisation's relative size.

# Reinvestment



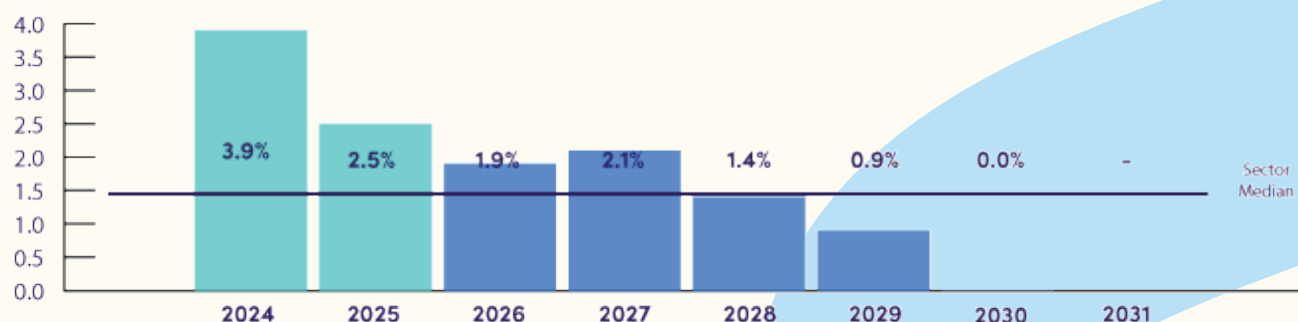
This metric looks at the investment in properties (both new and existing homes) as a percentage of the value of total properties held. The result for 2024/2025 is lower than target, which is largely due to the phasing of the development programme and a £4.75m investment in existing homes which was slightly less than in 2023/2024. However, we saw a higher level of expenditure on large scale repairs to homes to address damp and mould issues and maintain the safety of our homes.

In 2024/2025, our major repairs investment costs (capital and revenue) increased to £1,649 per property up from £1,471 in the previous financial year. This will continue to rise steadily up to 2030, reflecting our desire to maintain and improve quality and energy efficiency of our homes. When homes become void and significant investment is required initially and, in the future, they are appraised from a financial and suitability perspective to determine whether they should be disposed of.

Our performance is in line with the national trend of increasing costs as the sector continues to see significant increases in planned, routine, and capitalised repairs. Increased costs for both routine and landlord compliance repairs have been key drivers of this alongside an increase in damp related work and prevention in 2024/2025. This will continue to increase during 2025/2026 as we continue to invest in our warmer homes programme and improve the energy performance of our homes.

Looking ahead, the reinvestment metric drops after 2028/2029. This is because of a reduction in the number of new homes planned from this period. A capacity review will be completed in the first half of 2025/2026 to determine the level of new homes that can be developed beyond this timeframe.

## New supply delivered



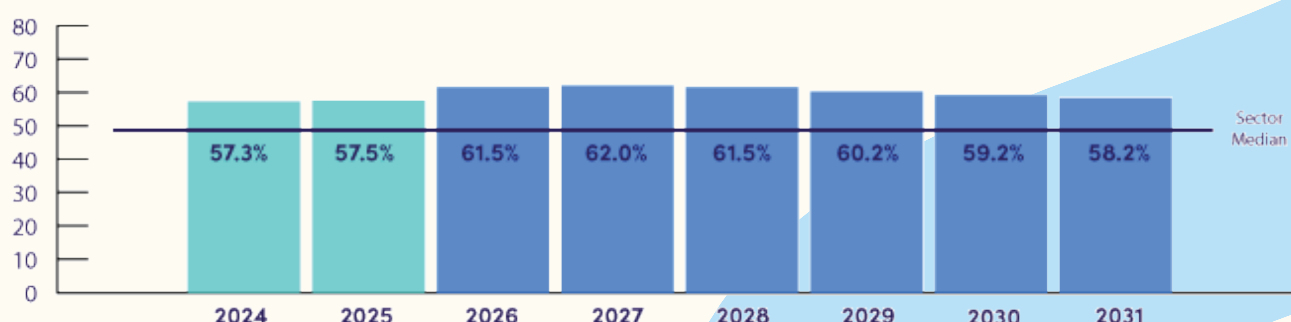
This sets out the number of new social housing and non-social housing homes that have been acquired or developed in the year as a proportion of total social housing homes and non-social housing homes owned at the period end. In terms of delivering new social housing homes, we are in the top percentile, achieving elite performance and significantly better than both the sector and our peer groups.

We have continued to meet our commitment to deliver new affordable homes and added 117 new homes in 2024/2025 compared to the 94 homes planned for the year. We have continued to meet our ambition to deliver an average of 100 new homes per year over a three-year rolling period. Our three-year average was 131 homes per year at the end of 2024/2025.

Developer and planning delays, legal issues and programme delivery spanning multiple financial years, can all have an impact on the delivery of new homes. Despite these challenges, our pipeline of development remains healthy, and we remain on track to deliver 1,000 new affordable homes by 2028.

We are not planning to build any homes that are not for social housing needs.

## Gearing



This metric measures net loans (incl. finance lease obligations) as a percentage of the value of housing properties and is an approximate indication of capacity. More highly geared associations may have less capacity to develop further.

It is not uncommon for Large Scale Voluntary Transfer (LSVT) providers, and those that are developing, to be more highly geared. As with all ratios, the position must be viewed with caution.



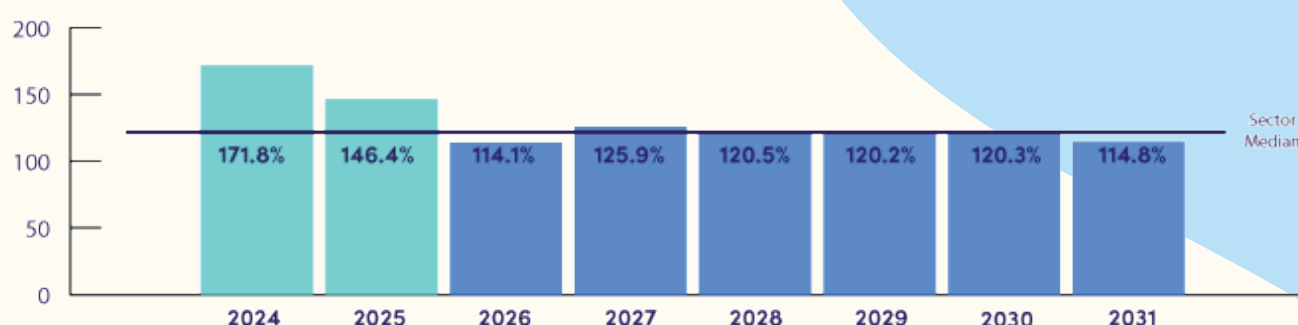
# Gearing

If the cost paid for initial housing stock acquisition was particularly low due to the level of work that was required to be carried out being reflected in the purchase price (as was the case with Two Rivers Housing), then as the Association develops and pays full build costs for new stock, the additional loans will start to dwarf the initial costs and the ratio will start to increase.

Our gearing ratio does remain higher than the average for the sector, PlaceShapers, and the benchmarking group, but this is indicative of the fact that we geared up to develop more homes and is relative to the low historical cost on transfer. This also aligns with a core strategic and national objective of increasing the availability of affordable homes.

Overall, our position is better than anticipated due to higher levels of cash being held. In terms of our ability to continue raising finance for future loans, while this ratio is considered, it is likely to be less important than interest and asset cover.

## EBITDA MRI interest cover



The EBITDA MRI interest cover measure is a key indicator for liquidity and investment capacity. It seeks to measure the level of surplus that a registered provider generates compared to interest payable; the measure avoids any distortions stemming from the depreciation charge.

Strong interest cover is required to service existing debt and support continued investment. A high interest cover ratio is not automatically a good thing as it may indicate that there is capacity to borrow further to develop, although it does need to be taken into context with the other financial indicators.

In 2018, the Group Board set the strategic objective to deliver 1,000 new homes by 2028. To support this additional funding was secured, which has resulted in higher interest payable costs. This, combined with higher operating expenditure has driven this indicator down, which is not unique to Two Rivers Housing.

Performance against this metric is in the median/upper quartile and is above the target for the year.

However, there has been a substantial reduction to the EBITDA MRI interest cover compared to 2023/2024. This has been driven by higher levels of expenditure and in part due to an increase in net interest costs (due to a reduction in cash held during the year which generated substantially less interest receivable).

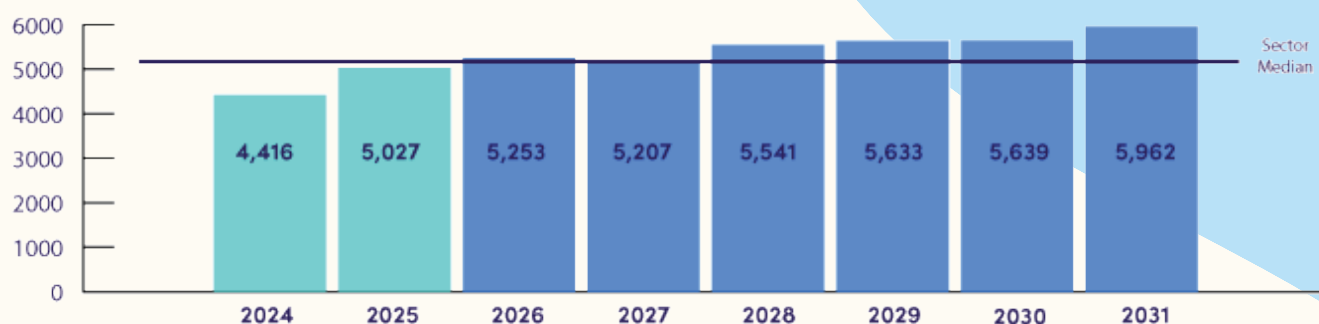
## EBITDA MRI interest cover

In 2024/2025, £0.2m expenditure was incurred in simplifying the governance structure and a further £0.5m was incurred to significantly reduce the backlog of repairs that were carried in from 2023/2024. Excluding these additional cost pressures, the EBITDA MRI metric would have been 160.0%.

While the forecast position for this ratio is weaker, it is in line with the tolerances set by the Group Board and supports the strategic objective to invest resources in our housing management and assurance teams as well as continued investment in developing new homes and investment in our existing homes.

For 2024/2025, our performance against this metric is ahead of the 2024 Global Accounts sector average as well as the PlaceShapers and benchmarking peer group.

## Headline social housing cost per unit



This is an indication of the total costs of providing social housing (as defined by the Regulator of Social Housing) divided by the total number of homes.

Benchmarking indicates that performance against this metric is in the median quartile against the peer and national group (£5,588 per unit, £5,136 per unit respectively). The cost per property is higher than the target of £4,779 for 2024/2025 and increased by 13.8% relative to 2023/2024.

This was driven by higher maintenance expenditure for investment in our homes (both routine and major) and is therefore not a negative outcome. Management costs have also increased to reflect the strategic priority to invest in housing management and assurance resources.

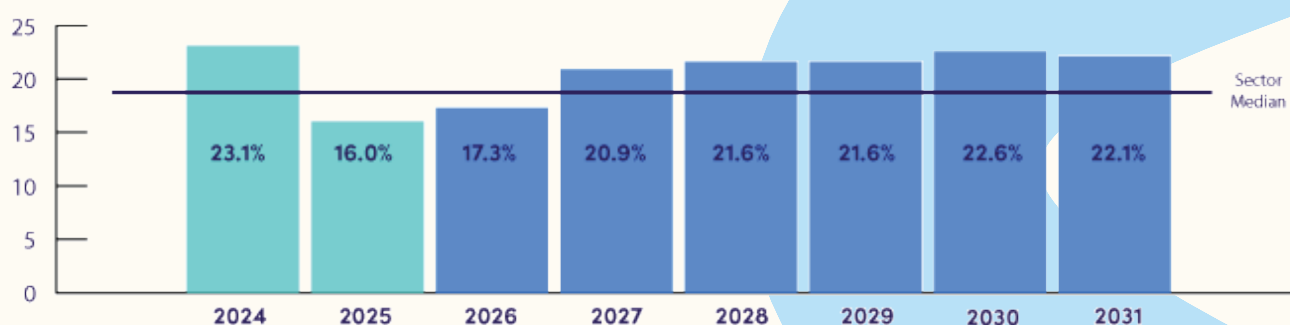
Our housing management costs are in the mid to upper quartile. These are increasing in recognition of the need to increase resources to ensure that we can provide better services to our tenants. During 2024/2025 we took steps to simplify the group structure by integrating Centigen FM Limited into Two Rivers Housing and converting the Group into a Charitable Community Benefit Society. This will strengthen working relationships between our assets and repairs team and deliver long-term efficiencies across the organisation.

Looking ahead, this metric will continue increase steadily as it is linked to the higher levels of investment in management resource and improving the energy performance and quality of our homes.

## Headline social housing cost per unit

The new Assets, Investment and Development Committee is responsible for overseeing the repairs back log and expenditure to ensure we are delivering an improving service and value for money.

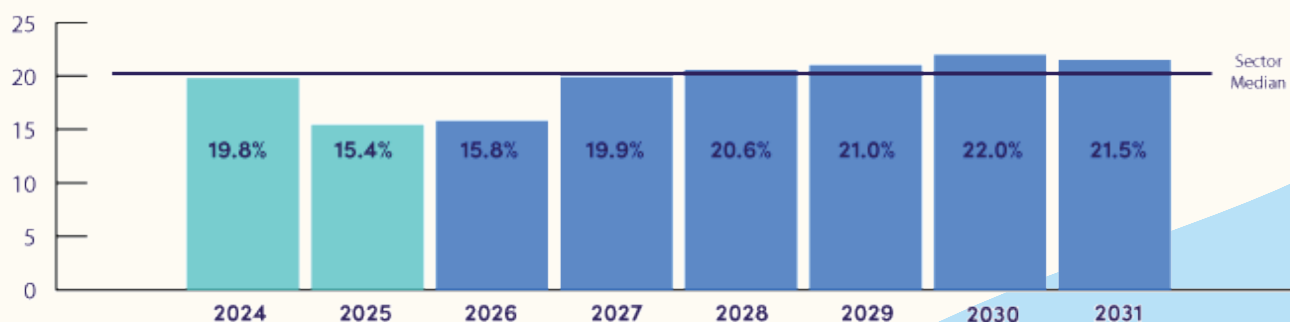
## Operating margin – overall



The operating margin demonstrates the profitability of the operating assets before exceptional expenses are considered. It is split into operating margin overall and operating margin for social housing lettings only.

Increasing margins are an indicator of the improving financial efficiency of a business, but this must be balanced against the registered provider's core purpose and objectives.

## Operating margin – social housing lettings only



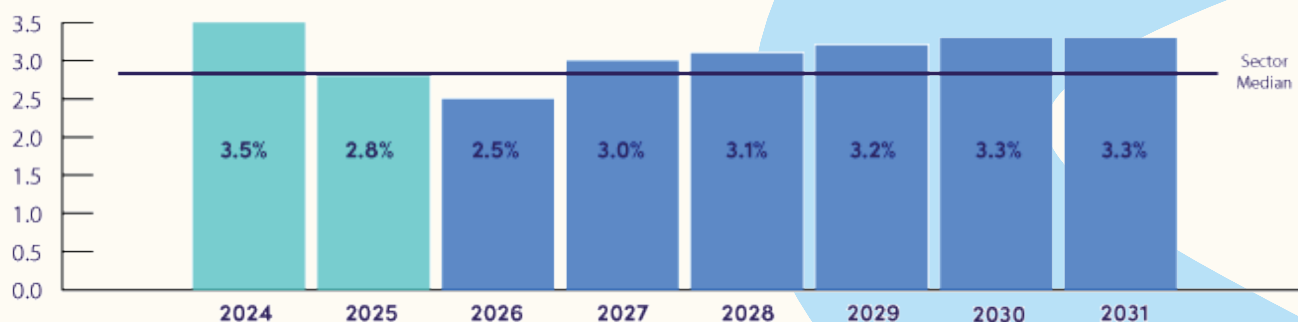
Our Overall operating margin is at 16.0% and is in the mid/upper quartile compared to our peer group and at the lower/median quartile for the social housing operating margin. Continuing pressure from routine maintenance repairs demand and cost inflation is driving the deterioration in operating margins across the sector.

Excluding the £0.5m expenditure incurred in relation to clearing the backlog of repairs carried forward into 2024/2025 and the one-off £0.2m expenditure incurred in simplifying the governance structure, the social housing operating margins would have been 17.1% and the operating margin would have been 18.1%. Our rent levels are below the median for Placeshaper organisations so we have a lower level of income to cover our expenditure and this impacts on our operating margin and EBITDA MRI covenants.

## Operating margin – social housing lettings only

It is worth noting that compared to Placeshapers, our turnover per property is in the low/mid quartile which impacts this ratio.

## Return on capital employed (ROCE)



This ratio measures how well a provider manages its capital to generate a financial return. To some extent this ratio is influenced by when the assets of an organisation were acquired in historic cost terms as this can greatly affect the denominator.

We are in the median quartile relative to our peer group for this metric, and lower quartile relative to the national group. Whilst we are below the national group, we have however, exceeded our 2024/2025 target of 2.6%.

## Key performance indicators

In addition to the regulatory metrics, the Group Board sets organisation specific Key Performance Indicators (KPIs) annually to ensure performance can be monitored against our strategic priorities. The 2024/2025 performance against these KPIs, together with 2025/2026 expectations are detailed below. Where no target is set, we are aspiring to ensure we deliver improving performance trends.

Strategic priority	Key performance indicator	Trend / target	2024/2025 trend/target	2024/2025 outcome	2025/2026 trend/target
A great customer experience	% Overall satisfaction with the service provided by the landlord	Trend	2024: 79%	79.5%	Trend
	Satisfaction with repairs	Trend	2024: 80%	81%	Trend
	Repairs completed within target timescale	Trend	2024: 56.9%	77.1%	Trend
	Housing Ombudsman determinations upheld in last 12 months	Trend	2024: 6 cases	7 cases	Trend
	Complaints relative to the size of the landlord (No. of complaints per 1,000 homes)	Trend	Stage 1 2024: 29 Stage 2 2024: 3	Stage 1 2025: 28 Stage 2 2025: 4.4	Trend
	Complaints responded to within Complaint Handling Code timescales	Trend	Stage 1 2024: 69% Stage 2 2024: 82%	Stage 1 2025: 28 Stage 2 2025: 4.4	Trend
	Void turnaround - YTD (calendar days)	Target	30 days	31.34 days	30 days
Modern, warm, safe, sustainable homes	Satisfaction that the home is safe	Trend	2024: 84%	83.4%	Trend
	Satisfaction that the home is well-maintained	Trend	2024: 78%	77.8%	Trend
	Landlord compliance at 31 March	Target	100%	100%	100%
	Decent Homes Standard compliance at 31 March	Target	100%	100%	100%
	Homes at or above EPC rating C	Target	60.4%	61.9%	71.3%
	No. of new homes delivered	Target	94	117	91
	Stock condition surveys - percentage of homes with a stock condition survey that is five years or less.	Target	100%	86.44%	100%



# Key performance indicators

Strategic priority	Key performance indicator	Trend / target	2024/2025 trend/target	2024/2025 outcome	2025/2026 trend/target
A great place to work	Colleague satisfaction (Happiness Index)	Trend	Trend	6.9	Trend
	Voluntary colleague turnover %	Target	<12%	12.37%	<12%
	Colleague attendance %	Target	<4%	3.51%	<3.5%
A strong, well-run business	EBITDA MRI	Target	139.3%	155.3%	130.8%
	Social Housing Operating Margin	Target	15%	15.4%	15.8%
	Regulatory Judgement (G/V)	Target	G1 / V2	G1/V1	G1/V1/C1
	% Rent arrears	Target	<1.5%	0.61%	<1.5%
	% Void rent loss	Target	<1.5%	1.34%	<1.5%
	No. of accidents reported	Trend	2024: 32	35	Trend
	No. of RIDDOR reported accidents	Trend	2024: 1	1	Trend
Neighbourhoods where people love to live	Satisfaction that the landlord makes a positive contribution to neighbourhoods	Trend	2024: 75%	70.3%	Trend
	Satisfaction that the landlord keeps communal areas clean and well-maintained	Trend	2024: 67%	63.4%	Trend
	Satisfaction with the landlord's approach to handling anti-social behaviour	Trend	2024: 67%	70.7%	Trend
	Anti-social behaviour cases relative to the size of the landlord (per 1,000 homes)	Trend	2024: 39	32.1	Trend



# Operational indicators

Performance Indicator	2023/2024 result	2024/2025 result	Peer median
Rent collected (including arrears b/f)	100.07%	99.99%	96.14%
Current tenant arrears (excluding voids)	0.68%	0.61%	4.44%
Rent loss due to voids – GN & HfOP	0.99%	1.34%	1.18%
Average time to complete repairs (days)	21.94	29.00	29.38
Average relet time (days)	21.59	31.64	33.15
Percentage of repairs completed at first visit	89.23%	85.92%	82.00%
Satisfaction with latest repair (transactional)	85.46%	85.46%	86.90%
Appointments kept %	85.40%	75.31%	88.00%
Gas safety certificate %	99.98%	100.00%	N/A
SAP rating	71.05	73.01	74.57
<b>Total score</b>	<b>260</b>	<b>280</b>	<b>250</b>

Our performance has improved year-on-year, and we have maintained a mid-to-upper quartile position for 2024/2025. Our total performance score has risen by 8% compared to 2023/2024, driven by positive movement in gas safety compliance and SAP rating performance.

There has been a dip in performance for void rent loss and average relet times, resulting in a lower quartile placement for these indicators.

Repairs appointment performance has also declined further. Root cause analysis conducted by i4H identified that the most influential drivers for repairs improvement include reliable appointment keeping, better parts availability, and strong customer communication. Having cleared the backlog of repairs, the repairs teams is in a stronger position to make improvements in 2025/2026 and we anticipate an improving position going forward.

We have continued to invest in the energy efficiency of our homes and made good use of funding streams available to support this work including the Social Housing Decarbonisation Fund (SHDF) and ECO4 grants. As a consequence of this work, SAP rating scores have improved and more of our homes are warmer and more energy efficient for our tenants. Warm, safe, affordable homes is a key priority in our corporate strategy, and this supports the case for ongoing investment in property improvements.

Meanwhile, rent arrears collection has continued to perform strongly, remaining in the upper quartile. This reflects our consistently robust internal controls and procedures to supporting tenants to pay their rent.

Our overall satisfaction score continues to sit in the mid-to-upper quartile range and improved compared to last year's figures. This assessment is based on early Tenant Satisfaction Measures (TSM) data where available.

# Operational indicators

Performance Indicator	Latest result	Median 2024/2025
Overall satisfaction	79.50%	77.50%
Satisfaction that the home is well maintained	77.80%	78.00%
Satisfaction positive contribution to neighbourhoods	70.03%	75.00%
Satisfaction with repairs	81.00%	72.50%
Satisfaction listens to and acts on tenants views	73.01%	72.50%
<b>Total score</b>	<b>130.00</b>	<b>125.00</b>

Overall satisfaction with services has held steady at the mid-to-upper quartile. Early indicators from the 2024/2025 TSM data suggest a general decline in satisfaction across the sector – a trend that i4H spotted back in 2022.

Satisfaction with repairs has now moved into the upper quartile, largely due to a broader sector-wide dip in this area since 2022/2023. In addition, satisfaction related to “the home being well maintained” and “listens and acts on views” has also risen to upper quartile levels.

A key issue in relation to neighbourhood dissatisfaction has been the challenge regarding delivering grounds maintenance services last year and also the challenge of resourcing housing management services. These are being addressed and we are starting to see improvements in services delivered.

## *Value for Money*

As previously stated in this report, Value for Money is embedded right across the Group. However, we have delivered several key initiatives during the year that have helped ensure that resources are used efficiently, that we have reduced waste and maximised returns, these include:

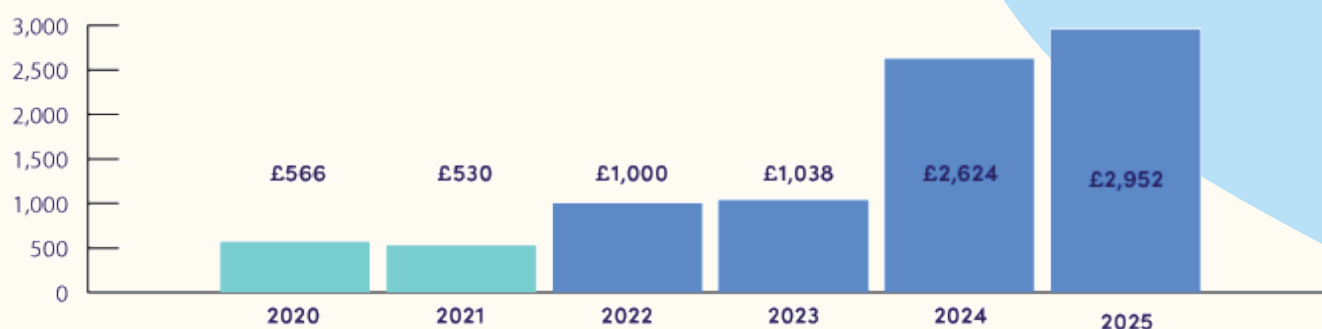
- ▶ The integration of Centigen FM Ltd into Two Rivers Housing to simplify the group structure, reduce governance and administrative resources and improve the way our teams work together to deliver repairs and facilities management services.
- ▶ External validation of the quality of our homes through surveys completed by Savills to ensure that we have a robust 30-year home improvement plan and ensure that homes are maintained based on condition rather than lifecycle.
- ▶ Effectively managing our cashflow. This has delivered higher investment returns and provided an additional income of £0.7m from interest received.
- ▶ A strong financial performance in the first half of the year, which enabled us to invest additional resources to:
  - ▶ Improve the energy efficiency of more homes with an additional 43 homes included in the ECO4 grant delivery

## Operational indicators

- ▶ Improve the quality of our homes through an additional 48 kitchens and 29 bathrooms being brought forward for replacement identified through our condition surveys or when the property became void.
- ▶ In total, £1.4m of savings have been identified by utilising ECO4 funding for 108 homes plus we have received a further £201k in grants from the Social Housing Decarbonisation Fund.
- ▶ Completion of a small number of large projects to maintain health and safety in our homes.
- ▶ Successful bidding for grant funding to support the decarbonisation of 530 homes over the next three years. The homes selected for works are EPC D homes, with a mix of gas central heated and off gas (electric and solid fuel) homes.

In addition to the activities detailed above, savings delivered through department-led initiatives totalled £598,000 (2023/2024: £353,000) with further procurement efficiencies delivered through the CHIC framework totalling £752,000 (2023/2024: £401,000).

A further £1.4m of savings have been delivered by utilising ECO4 funding for 108 homes plus we have received a further £202k in grants from the Social Housing Decarbonisation Fund.



## Tenant Satisfaction Measures (TSMs)

Over the last 12 months, we have been listening to what our tenants have told us about their homes and the services we provide. We've worked closely with our Tenants' Voice Group and held workshops and focus groups to help us understand what we are doing well and where we need to make improvements.

We've been working hard to improve our services and invest in our homes to make the changes tenants want to see.

So, we are really pleased to see an increase in overall satisfaction from our tenants (+0.5%) and in key areas such as repairs (+1%), our approach to tackling antisocial behaviour (+3.7%) and complaints handling (+0.5%) compared to last year.

It's also great to hear that our tenants believe that we treat them fairly and with respect and that we will listen to and act on their feedback. We know that we still have work to do but promise to continue to listen to what our tenants are telling us and improve our services. Our full set of Tenant Satisfaction Measures is published on our website.

# Performance against corporate plan objectives 2024/2025

We launched our new corporate plan 'Delivering #Twogether 2024-2027' in October 2024. This set out our ambitions under each of our six strategic priorities. During the year we've made good progress in key areas of the plan and details of the key objectives and delivery against these is set out below.

## A great customer experience

We want to deliver a great customer experience for our tenants and have completed the following activities during the year to support this ambition.

- ▶ Support and develop Tenants' Voice Group
  - ▶ We have established Terms of Reference for the group and completed work to increase tenant participation and recruit new members. The group meets every two months with Board Members, members of the executive team and senior managers in attendance. This gives the group direct access and influence on those making decisions within the organisation.
  - ▶ The Tenants' Voice Group scoped out key areas of our services and have used this to scrutinise and discuss our approach during the year. In 2024/2025, the group looked at the following areas: estate maintenance and grass cutting, rent setting, Tenant Satisfaction Measures, the proposal to become a Charitable Community Benefit Society, decarbonisation and fuel poverty, the Centigen integration project and complaints.
  - ▶ Every Board meeting is structured to put the 'tenants voice' as the first agenda item to ensure that this is considered throughout the meeting.
  - ▶ A number of repairs workshops have also been completed to help shape our new approach to repairs and understand what our tenants want to see from this service.
- ▶ Use tenant satisfaction data, customer complaints, feedback and other performance management information to learn from and improve service outcomes for tenants.
  - ▶ We complete our Tenant Satisfaction Measures in four waves throughout the year and collate our results to produce our annual submission to the Regulator of Social Housing. This enables us to identify trends throughout the year and share these with team members to make continuous improvements. As a result of this process, we have seen clear performance improvements in how we manage communal areas, complaints handling and overall satisfaction during the year.
  - ▶ We reviewed and improved our complaints processes to ensure that we manage complaints as effectively as possible.
  - ▶ We have a dedicated Customer Experience Team that supports our complaints process and ensures that agreed actions are followed up until the complaint is fully resolved.
  - ▶ We have a Board Member responsible for complaints who actively engages with the organisation to review complaints performance.



## **A great customer experience**

- ▶ Review our approach to responsive repairs
  - ▶ Using feedback from tenants and colleagues we reviewed the structure of our repairs team and made the decision to bring them back inhouse. This will improve collaboration and communication between teams and improve the service delivery in this area.
  - ▶ We reviewed our Repairs Policy with tenants asking them to share their experience of our repairs service and identify the changes that they would like to see. These have been included in the Repairs Policy, which has been reviewed and will be launched in 2025/2026.
  - ▶ As a result of the changes we made to the repairs team structure, we have seen a month-on-month improvement in the repairs performance of the internal team and transactional satisfaction survey results have been consistently high.
- ▶ Use the consumer standards to support our customer experience journey
  - ▶ We have used the Consumer Standards to identify key areas of focus to drive improvements to our customer experience and will focus on these areas in 2025/2026.

## **Modern, warm, safe, sustainable homes**

Investing in our homes and providing more affordable housing is fundamental to everything we do. As part of our corporate strategy, we have delivered the following activities to help us ensure that our tenant's homes are places they can be proud of:

- ▶ We have completed stock condition surveys in 86.44% of our homes, which has provided key information that will support the development of our five-year investment plan. This will be shared with tenants in 2025/2026.
- ▶ We have also collected robust EPC information for our homes, which will support our retrofit assessments as we continue to invest in our warmer homes programme.
- ▶ We reviewed the structure of our asset investment team to ensure that we have the correct skills and resources in the team to deliver our ambitious plans.
- ▶ We held a workshop with the team to raise awareness of our stock condition standards and how our homes should be graded to ensure this is applied consistently.
- ▶ During the year we have made energy improvements to 134 homes. We have also improved the condition of our homes by replacing 125 kitchens, 24 bathrooms, 136 roofs and completed extensive external works to several homes.
- ▶ We have successfully bid for and have been awarded £4.6m in grant funding from the Social Housing Decarbonisation Fund (SHDF) over a three-year period that will enable us to make 530 of our homes warmer and more energy efficient.
- ▶ In addition to the 530 homes that will be updated using the SHDF fund, we are using our own resources to update a further 220 homes by 2030.

## **Modern, warm, safe, sustainable homes**

- ▶ We have delivered 117 new affordable homes. Wherever practical we aim to build homes that meet EPC A and work with S106 partners to meet the highest level of EPC that the developers are prepared to meet (currently a high B rating).
- ▶ To support further development and increase the availability of funding, we have fully secured our revolving credit facility.

## **A great place to work**

To provide a great customer experience, we need to have the right people in place. We want to make sure that Two Rivers Housing is a great place to work, so that our team feels valued, able to be themselves and can deliver the best results for our customers. During 2024/2025, we took the following steps in this key priority:

- ▶ In October 2024, we completed our first Happiness Index survey. This anonymous survey gave every colleague the opportunity to tell us how it feels to work at Two Rivers Housing and what we need to do to support them to do their best for our customers.
- ▶ We've continued to hold monthly team sessions, where we all come together to share updates and celebrate successes as well as the organisation's priorities and any challenges we are facing. This fosters open conversations and is also a chance for colleagues to connect with teams they may not see on a regular basis.
- ▶ We held our first annual Team Get #Twogether at the end of September 2024. At this session we set out our vision for Two Rivers Housing, our new corporate strategy and allowed the team to ask questions of the executive team. It also helped to bring everyone together and start to breakdown cross organisational barriers.
- ▶ We used feedback from the Happiness Index to develop a new people strategy that will help us attract, retain and develop the best people and make sure that we have the right people to deliver for our customers.
- ▶ We reviewed our induction process to reflect our customer experience and great place to work objectives. This will be refined as we learn from colleague experiences going forward.
- ▶ We reviewed the structure and resourcing levels in our frontline teams. This was completed in response to both tenant and team feedback, where it was highlighted that services were not where they should be due to teams being overstretched.
- ▶ We bought our repairs team back inhouse, following feedback from tenants and our team that we needed to make improvements to how we work together to deliver our repairs service to tenants. We are already starting to see performance improvements in this area as a result of these changes.
- ▶ As part of our new people strategy, we have made a commitment to invest in our team and support a 'grow our own' culture. Not only does this strengthen our team and show that we value their knowledge and expertise, but it helps combat a challenging recruitment market where the skills we need are limited and highly sought after by other local providers.

## **Neighbourhoods where people love to live**

The shared spaces and communal areas in our neighbourhoods are really important to our tenants. We've listened to what they've told us and made improvements to how we manage our estates and shared spaces. In 2024/2025, we completed the following projects:

- ▶ We reviewed our approach to estate maintenance and put additional management support in place to monitor and measure the delivery of this service. We saw improvements in the service in the second half of the year, and this has continued in the first quarter of 2025/2026.
- ▶ We extended the grass cutting season into October to allow the team to catch up on missed cuts resulting in each area being visited every three weeks and improving overall service. Our winter works programme has also ensure that the team was able to hit the ground running in early 2025 and make a good start on the grass cutting programme at the beginning of the year.
- ▶ Service performance is now monitored through monthly KPIs, which showed an improving position in the second half of the year.
- ▶ As a result, we've seen a reduction in colleague turnover, which has meant that we now have five teams of two working across our neighbourhoods and a reduction in complaints relating to this service. In fact, we have also received several compliments regarding the work the team is doing.
- ▶ We worked with our Tenants' Voice Group to develop an interim summer service solution ahead of a full consultation with tenants which is planned for 2025/2026.
- ▶ We have also restructured our housing directorate to increase capacity within the team and enable us to provide a more human-centric service for our tenants. This will be embedded during Q1 and Q2 2025/2026 and will strengthen our approach to tackling key issues such as anti-social behaviour, neighbourhood nuisance and further enhance our community connector approach.
- ▶ We have also implemented a cyclical redecoration programme and planned maintenance programme across our schemes to support making our neighbourhoods, areas where people love to live.

## **Working #Together for our communities**

As a community-based housing association, we have a key part to play in supporting wider community initiatives and tackling social issues in our neighbourhoods. Over the last 20 years, we've developed strong links within our communities and continued to build on these in 2024/2025.

- ▶ Throughout the year numerous community projects have been delivered with our support, including breakfast clubs, warm spaces, older persons activity events, support for Sedbury Space and Christmas events.
- ▶ Our housing and development teams work closely with local authority partners to build and let homes to meet local housing need.

## **Working #Together for our communities**

- ▶ We have supported the Forest of Dean District Council with a homelessness mitigation project (and accessed LAH Funding) for five homes across the Forest of Dean.
- ▶ We are active members of the Gloucestershire Homes and Communities Partnership (GHCP) and hosted the group at our Rivers Meet office in March 2025 ahead of the group's official relaunch later in the year.
- ▶ We've used our community fund from our materials supplier Travis Perkins to support several community projects.
- ▶ We are considering work on remodelling a sheltered housing scheme with multi-agency support.
- ▶ We are taking a multi-agency case work approach for complex cases and working closely with local authority partners and other support services to ensure our tenants get the help and support they need.

## **A strong, well-run business**

In order to deliver our ambitious corporate strategy, we need to remain a financially strong and well run business. This underpins everything we do and in 2024/2025 we continued to strengthen our performance in this area:

- ▶ Following a successful recruitment campaign, we have appointed four new Board Members and three Committee Members who complement our existing Board Members and bring the necessary skills and knowledge to strengthen our Board.
- ▶ We reviewed our internal governance structure and made changes to enhance our committee structure and appointed a senior governance professional to support our approach to corporate governance.
- ▶ We have strengthened our business continuity testing programme and put a cyber security defence plan in place.
- ▶ We have reviewed and updated our financial plan to reflect our new corporate strategy and completed comprehensive stress testing to identify any weaknesses. Detailed mitigations have been identified alongside implementation times to provide assurance to Board.
- ▶ We have implemented a business partnering approach within our finance teams to support budget holders and increased resources in this area to support procurement activities going forward.
- ▶ We have strengthened and embedded our robust assurance and performance management framework to support the delivery of the corporate strategy.
- ▶ We have completed a self-assessment against the requirements of the NHF Code of Governance.

## Performance against corporate plan objectives 2024/2025



We have made good progress against the corporate plan since its launch and our overall performance compares well with our peers. However, we recognise that we haven't always got things right and have continued to work with tenants to identify areas for improvement.

They have told us that we need to improve how we communicate with them and keep them updated on the services we provide and highlighted some service areas where we can do better. We'll continue to listen to what they tell us and work with them to improve our services and deliver Value for Money in everything we do.

## Looking forward to 2025/2026

As we look forward to 2025/2026 (year two of our three-year plan), we've set out the key deliverables for 2025/2026, these include:

A great customer experience	Modern, warm, safe, sustainable homes
<ul style="list-style-type: none"> <li>▶ Create a Customer Experience Strategy.</li> <li>▶ Review the role of our housing teams to develop a 'human centric' approach to delivering services.</li> <li>▶ Undertake a review of our approach to safeguarding.</li> <li>▶ Develop a reasonable adjustment policy and approach.</li> <li>▶ Listen and learn from complaints and tenant feedback and develop a learning log to record this.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Develop an Asset Strategy.</li> <li>▶ Review our Empty Homes Standard.</li> <li>▶ Create a five-year investment plan to be shared with tenants.</li> <li>▶ Create a Development and Regeneration Strategy.</li> <li>▶ Consider our development and regeneration areas in terms of management and maintenance costs.</li> <li>▶ Create a clear plan to meet EPC C by 2030.</li> <li>▶ Create property life cycle costing learning culture between development and property teams.</li> </ul>
A great place to work	Neighbourhoods where people love to live
<ul style="list-style-type: none"> <li>▶ Develop a training plan that supports the organisation's objectives and creates a 'grow our own' culture.</li> <li>▶ Develop approaches in recruitment and retention that attract and retain talent, bring out the best in people and supports our approach to equity and diversity.</li> <li>▶ Develop a leadership at all level programme for existing and aspiring leaders.</li> <li>▶ Review our 'people offer' to ensure we are competitive in the employment market.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Establish neighbourhood action plans with community members and partners.</li> <li>▶ Undertake a full review of services and service charges with tenants.</li> </ul>



## Looking forward to 2025/2026

Working #Twogether for our communities	A strong, well-run business
<ul style="list-style-type: none"> <li>▶ Work with local partners to develop and deliver construction and housing skills projects and programmes.</li> <li>▶ Take positive action in our recruitment and volunteering opportunities to support local people, increasing the 'lived experience' of living in the local areas or in social housing in our team.</li> <li>▶ Undertaking mock interviews, presentations and offer placements and volunteering opportunities.</li> <li>▶ Develop a procurement strategy that embeds social value in our procurement processes, consider local businesses and seeks to use corporate social responsibility opportunities to support local causes and objectives.</li> <li>▶ Work collectively with other social housing providers in the area to develop programmes and projects that support local socioeconomic objectives.</li> <li>▶ Create and offer placements and volunteering opportunities within the organisation.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Undertake treasury management review to establish new funding.</li> <li>▶ Develop an internal IT and data customer service approach to support colleagues and Board Members.</li> <li>▶ Review and develop data that helps organisational learning and improvement.</li> <li>▶ Develop a Value for Money Strategy.</li> <li>▶ Review our approach to Board and senior management assurance.</li> </ul>

## Forecast financial performance

We produce a 30-year financial forecast, which is reviewed on an annual basis. The following tables set out a five-year picture of our forecast targets:

Statement of Comprehensive Income £'000	Actual 2025	Target 2026	Target 2027	Target 2028	Target 2029	Target 2030
Turnover	33,267	34,486	36,702	37,340	38,128	37,280
Operating costs	(27,954)	(28,518)	(29,023)	(29,283)	(29,874)	(28,856)
Other surplus/(deficit)	1,021	599	614	627	640	661
Operating surplus	6,334	6,567	8,293	8,684	8,894	9,085
Surplus for the year	2,797	1,514	2,803	2,807	2,600	2,083

	Actual 2025	Target 2026	Target 2027	Target 2028	Target 2029	Target 2030
Reinvestment	11.2%	11.8%	7.8%	4.8%	3.2%	2.4%
New supply delivered %	2.52%	1.9%	2.1%	1.4%	0.9%	0.0%
- Social housing	-	-	-	-	-	-
- Non-social housing	57.5%	61.5%	62.0%	61.5%	60.2%	59.2%
Gearing	146.4%	114.1%	125.9%	120.5%	120.2%	120.3%
EBITDA MRI / Interest cover %	5,027	5,253	5,207	5,541	5,633	5,639
Headline social housing cost per unit	15.4%	15.8%	19.9%	20.6%	21.0%	22.0%
Operating margin % - Social Housing	16.0%	17.3%	20.9%	21.6%	21.6%	22.6%
Operating margin % - Overall	2.8%	2.5%	3.0%	3.1%	3.2%	3.3%
Return on Capital Employed						

This plan has been stress tested for a 'perfect storm' of events that the Group Board considers might impact it. Further stress testing confirms resistance to the factors modelled including adverse movements in inflation, interest, sales values, and high value one-off financial events.

It is apparent that the impact of inflation on costs and high levels of demand for property maintenance over the next few years will continue to be a challenge. The stress testing of the plan considers more extreme economic scenarios than the one we are currently experiencing. Where remedies are required to ensure compliance with funding covenants, mitigating actions have been identified.

## Contact us

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